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Role and Responsibilities of the Compensation Committee

The Compensation Committee's roles and responsibilities include the following activities which are among the duties reflected in our Compensation Committee Charter, which is posted on our website at http://investor.rambus.com/governance/compensation.cfm:

- Annually review and approve the CEO and other executive officers' compensation in the context of their performance, which includes reviewing and approving their annual base salary, annual incentive bonus, including the specific goals, targets, and amounts, equity compensation, employment agreements, severance arrangements, and change in control agreements/provisions, and any other benefits, compensation or arrangements.
- Administer our stock option and equity incentive plans pursuant to the terms of such plans and the authority delegated by the Board. In its administration of the plans, the Compensation Committee may grant stock options, stock appreciation rights, restricted stock, restricted stock units or other equity compensation to individuals eligible for such grants and amend such awards following their grant.
- Adopt, amend and oversee the administration of our significant employee benefits programs.
- Review external surveys to establish appropriate ranges of compensation.
- Retain and terminate any compensation consultant to assist in the evaluation of CEO or executive officer or director compensation, and approve the consultant's fees and other terms of service, as well as obtain advice and assistance from internal or external legal, accounting or other advisors.

Setting Executive Compensation

Based on the foregoing objectives, the Compensation Committee has structured annual and long-term incentive-based cash and non-cash executive compensation to attract and retain the named executive officers, and align their focus and actions to achieve our Company's business goals.

To determine the appropriate levels of compensation for our executive officers, the Compensation Committee reviews in-depth analysis conducted by management and external consultants. The analysis is based, in part, on information reported in proxy statements and independent, third-party published survey data. Each year the Vice President of Human Resources works to provide analysis and recommendations in support of executive compensation. This analysis includes specific market pricing for each named executive officer position within the Company. To support the detailed analysis and recommendations, the Vice President of Human Resources works with both the Director of Compensation and independent consultants. The Vice President of Human Resources and the CEO then provide recommendations for executive officers other than the CEO to the Compensation Committee for their consideration and approval. The Vice President of Human Resources then presents analysis for determination of the CEO's compensation to the Compensation Committee, and the Compensation Committee then deliberates in closed session.

In 2006, Compensia, a third party, independent consultant, assisted the Compensation Committee in evaluating the compensation program for our executive officers and directors. Compensia, working with management, has assisted the Compensation Committee each year since 2004. Compensia utilized peer group comparison and benchmarking surveys to assess the competitiveness and appropriateness of our compensation programs against our Compensation Peer Group described below and other industry comparisons. Compensia's analysis included last fiscal year data and three-year average data evaluated against a variety of compensation utilization metrics including total equity compensation expense, equity expense as a percent of net income, and equity expense as a percent of revenue. Base and total cash compensation were also compared against the Compensation Peer Group and industry financial performance metrics, including revenue growth, net income growth, and total shareholder return.

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In making compensation decisions, the Compensation Committee compares analysis of each element as well as the aggregation of all elements of total compensation against our peer group of publicly-traded companies, which we refer to as the Compensation Peer Group. The Compensation Peer Group consists of companies against which the Compensation Committee believes we compete for talent and represents similar benchmark attributes including revenue size, complexity, like industry, market capitalization, and number of employees. For fiscal year 2006, the Compensation Peer Group included: Actel Corp., Magma Design Auto Inc., Ceva Inc., MIPS Technologies Inc., Cymer Inc., Omnivision Tech Inc., DSP Group Inc., Pixelworks Inc., Formfactor Inc., Virage Logic Corp., Interdigital Communication Corp., Altera Corp., LSI Logic Corp., Atmel Corp., Nvidia Corp., Benchmark Electronics Inc., PMC Sierra Inc., Cypress Semiconductor Corp., Semtech Corp., Fairchild Semiconductor Intl Inc., Sigmatel Inc., Silicon Lab Inc., Integrated Circuit Systems Inc., Integrated Device Tech Inc., and Vishay Intertechnology Inc. The Compensation Committee reviews the Compensation Peer Group annually to ensure the appropriateness of the group for compensation comparisons.

Consistent with our "Pay for Performance" philosophy, the Compensation Committee targets our executive officers' total cash compensation at or near the 75th percentile of the Compensation Peer Group. Base salary targets for executive officers are designed so that salary opportunities for a given office are positioned at approximately the 50th percentile of the Compensation Peer Group. The Compensation Committee believes that this percentile will allow us to maintain control over fixed compensation expense while affording competitive upside to the executives as a result of our financial performance. Variable or incentive cash compensation is realized based on the achievement of our annual operating plan as approved by the Board and achievement of individual objectives as described in more detail below.

In 2006, the Compensation Committee collaborated with management in the continuing effort to enhance corporate governance and align our compensation and benefit practices with the long term interests of our stockholders. In 2006, we implemented and obtained the approval of our stockholders of a new equity incentive plan that replaced our expiring 1997 Stock Option Plan, referred to as the 1997 Plan. Our new 2006 Equity Incentive Plan, referred to as the 2006 Plan, eliminated a historic evergreen replenishment provision and requires shareholder approval for share replenishment which we will propose as needed based on market comparisons and our performance. We have worked to reduce the issuance of equity as a percentage of overall compensation in-line with peer market trends. We have also worked to reduce the "burn rate," or number of equity awards issued annually as a percentage of our total outstanding shares, to less than 3% of total outstanding shares in 2006, and we are projecting a burn rate of between 2.5% and 3% for 2007. When compared to our Compensation Peer Group, we fell below the 50th percentile for the last fiscal year and the three-year average overall gross burn rate and net burn rate (which factors in cancellations of equity awards under our plans). Our stock option issuance per employee has declined over 70 percent from 2003 to 2006. Also, in October 2006, the Compensation Committee considered and adopted stock ownership guidelines effective 2007 for our executive officers and directors as described below.

The Compensation Committee's policy with respect to the adjustment or recovery of compensation as a result of material changes in our financial statements requiring an accounting restatement is to retain discretion over all pay elements and reserve the right to reduce or forego future compensation based on any required restatement or adjustment. The Compensation Committee intends to review these matters in light of the restatements that occurred as a result of the stock option investigation and consider the evolution of the policy as part of its annual policy review this year.

The Compensation Committee considers the potential future effects of Section 162(m) of the Internal Revenue Code of 1986, as amended. Section 162(m) limits the deductibility by public companies of certain executive compensation in excess of $1,000,000 per executive per year, but excludes from the calculation of such $1,000,000 limit certain elements of compensation, including performance-based compensation, provided that certain requirements are met. Both our 1997 Plan and 2006 Plan permit the Compensation Committee grant equity awards that are "performance-based" and thus fully tax-deductible by us. The Compensation Committee currently intends to continue evaluating all of our executive compensation and will qualify such compensation as performance based compensation under Section 162(m) to the extent it determines doing so is in our best interests. All of the stock options granted to our executive officers are intended to qualify under Section 162(m) as performance-based compensation. However, during our stock option investigation we discovered that certain stock options granted to Mr. Donnelly, Mr. Patel and Ms. Stark were granted with an exercise price below the fair market value of the underlying shares on the date of grant and will not qualify as performance based compensation under Section 162(m). In addition, the restricted stock unit and restricted stock awards granted to our executive officers do not qualify as performance-based compensation.

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The Compensation Committee also considers the effects of Section 409A of the Internal Revenue Code when granting or providing compensation. Section 409A imposes additional significant taxes in the event that an executive officer, director or service provider receives "deferred compensation" that does not meet the requirements of Section 409A. To assist in the avoidance of additional tax under Section 409A, we generally structure equity awards in a manner intended to comply with the applicable Section 409A requirements. However, in connection with the stock option investigation, certain stock options that were determined to have been granted at a discount to fair market value do not meet the requirements of Section 409A. Rambus has not paid or otherwise grossed up current or former executives for any additional taxes imposed by Section 409A with respect to these stock options. The Compensation Committee will continue to consider the appropriateness of any such action in the future based on applicable company and industry-wide developments.

As discussed elsewhere in this report, we have concluded an investigation into historical stock option grants. The Compensation Committee has taken into consideration the results of the investigation with respect to the internal control and other compensation policies of Rambus. A summary of the investigation and our findings are set forth under Note 3 of the Notes to Consolidated Financial Statements, Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Item 9A, "Controls and Procedures."

Both in response to the findings of the stock option investigation and as a result of our continuing efforts to enhance corporate governance, we have made many improvements to our policies and procedures for equity award grants. In November 2006, we changed the new hire grant procedures for named executive officers and other executives to be made on the first trading day of the month following their date of hire. The Compensation Committee also approved moving the annual performance equity grant date for all employees to the first trading day in February of each year. This date in February was chosen in order to allow these granting actions to take place as soon after our annual financial earnings release as was practical. We feel that this schedule coupled with prospective grant policies will afford more transparency and improve the governance of our equity program. In addition, we added improved internal controls to verify key elements of our policy and process compliance. These improvements included additional review and back-up audit requirements for both pre- and post-grant administration.

In designing our compensation programs, we take into consideration the accounting effect that each element will or may have on us. For example, in evaluating the 2006 Employee Stock Purchase Plan, referred to as the 2006 Stock Purchase Plan, the Compensation Committee considered both the appropriateness and competitiveness of our compensation strategy and the effect of Financial Accounting Standards Board Statement of Financial Accounting Standards No. 123 (revised 2004), referred to as SFAS 123(R), with respect to the compensation expense recorded in the financial statements. As a result, the Compensation Committee adopted modifications in early 2007 to the 2006 Stock Purchase Plan. These changes eliminated a 24 month look-back and substituted it with a standard 6 month look-back while retaining a purchase price equal to 85% of the fair market value on the first day of the offering period or the last day of the offering period, whichever is lower.

2006 Executive Compensation Components

For the fiscal year ended December 31, 2006, the principal components of compensation for named executive officers were:

- Annual Base Salary
- Annual Variable Compensation
- Equity Based Compensation
- All Other Compensation which includes 401(k) match, health/welfare and other standard benefits

Base Salary

We provide our named executive officers and other employees with base salary to compensate them for services rendered during the fiscal year. The annual base salary for executive officers is determined relative to job scope, past and present contributions for performance and compensation for similar positions within our Compensation Peer Group. Base salary ranges for named executive officers are determined for each executive based on his or her position and responsibility by using the Compensation Peer Group and other industry market data.

We emphasize pay for performance in all components of compensation, and make salary adjustments based on individual employee performance relative to published compensation levels for incumbents of similar positions in the Compensation Peer Group. In 2006, annual salary represented 50% of our CEO's annual total target cash and between 55% and 60% of the annual total target for the other named executive officers with the remainder of other total target in the form of bonus.

In 2007, the Compensation Committee approved a 15.4% increase in the CEO's base salary and total cash compensation. As a result, his total target cash compensation level for fiscal year 2007 remains slightly below our target of 75th percentile of the Compensation Peer Group. Historically, we have paid the CEO below-market total cash compensation but we have issued more equity awards as compensation in comparison to the Compensation Peer Group and other industry companies. Starting in 2005 and continuing in 2006 and 2007, we have aligned the CEO's total compensation package to be consistent with our other named executive officers and in-line with our compensation philosophy as applied against our Compensation Peer Group.

Performance-based Incentive Plan

The Compensation Committee rewards achievement at specified levels of financial and individual performance. Each officer has a target bonus level that is competitive with target bonuses for similar positions reported in our independent, third-party surveys and information from proxy statements. The Compensation Committee also reviews and ensures that the target bonus levels are competitive in comparison to the Compensation Peer Group. We have historically and continue to target the 75th percentile for total target cash within these defined talent markets. The Compensation Committee believes that financial performance is a key measurement in determining variable compensation.

The 2006 incentive plan included our named executive officers as well as employees through senior individual contributor levels, and all employees will be eligible to participate in 2007. The incentive plan is funded based on achievement of an adjusted pre-tax income target, which excludes stock-based compensation expense and other one time charges deemed by the Compensation Committee to be extraordinary and outside of management control. Pre-tax income was chosen as our financial performance metric because it is a function of both the top-line revenue performance and expense management efficiency. The Compensation Committee retains the discretion to exclude the one-time charges from the pre-tax income calculation. For fiscal year 2006, the pre-tax achievement excluded stock-based compensation expenses, a one-time bonus paid to outside litigation counsel, and expenses incurred as a result of the stock option investigation. The incentive plan is designed to be funded linearly beginning at a threshold of 70% of the pre-approved plan and rises to a potential 200% of target funding based on the achievement exceeding the pre-tax income target. Named executive officers participating in the plan are also measured against objectives that tie directly to our overall operating plan objectives. For fiscal year 2006, these objectives included specific customer goals, licensing objectives, specific technology development milestones, internal control and process improvements, and productivity initiatives. Final payout of these cash incentive awards, if any, is determined by the funding level achieved and each individual's performance against their key objectives or management by objectives.

For fiscal year 2006, our adjusted pretax results generated a funding level of 1.75 times the total target bonus. All of our named executive officers received between 125% and 180% of their incentive targets. Our CEO earned a bonus of 175% of his incentive target based on the adjusted pretax results.

Long-term Equity Incentive Compensation—Stock Awards and Option Grants

Ownership of our Common Stock is a key element of executive compensation. Our named executive officers are eligible to participate in the 2006 Plan and our 2006 Stock Purchase Plan. The 2006 Plan permits the Board or the Compensation

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Committee to grant restricted stock, stock options, stock appreciation rights, restricted stock units and other stock-based equity awards to employees, including named executive officers, on such terms as the Board or the Compensation Committee may determine. On several occasions in 2006, we opted to grant restricted stock or restricted stock units, referred to as RSUs, instead of stock options generally because we wished to reduce overall equity issuances and compensation expenses, while also focusing on the effectiveness of the use of a restricted stock or RSU element for specific purposes. We determined that granting such awards in lieu of stock options provided us with an additional recruitment incentive in the hiring of Mr. Rishi and part of a special litigation incentive for Mr. Danforth. The Compensation Committee continues to evaluate the proper mix for the issuance of stock options, restricted stock or RSUs, and other equity awards.

Currently, equity grants are the only element of our long-term compensation. We are using long-term compensation as a retention tool and as a primary compensation element to align our named executive officers with the long-term interest of our stockholders. The Compensation Committee compared the number of shares and the value of the equity grants with the Compensation Peer Group and third party industry survey data. Our targeted value for these awards is at or above the 75th percentile for each named executive officer. As a further retention tool, we generally apply a 5-year vesting schedule on these equity grants in comparison to the more standard 3-year or 4-year vesting period used by most of the Compensation Peer Group.

In determining the size of a stock option grant to a named executive officer, the Compensation Committee takes into account equity participation by comparable employees, external competitive circumstances and other relevant factors. Because these options typically vest ratably over 60 months, they require the named executive officer's continued service. In addition, the Compensation Committee considers each named executive officer's performance and contribution during the fiscal year, analyses reflecting the value delivered by the executive and competitive practices.

Our stock purchase plans permit employees to acquire our Common Stock through payroll deductions and promote broad-based equity participation throughout our company.

The Compensation Committee believes that these stock plans align the interests of the named executive officers as well as our other employees with the long-term interests of the stockholders.

Stock Ownership Guidelines.

In October 2006, our Board approved stock ownership and retention guidelines for executives and directors. Under these guidelines, our executive officers will be expected to accumulate and hold an equivalent value of our Common Stock that is equal or greater than 2 times to 5 times of their annual base salary, and to maintain this minimum amount throughout their tenure as an executive officer. The CEO will be expected to accumulate and hold an equivalent value of 5 times his/her annual base salary, all other Section 16 executive officers will be expected to accumulate and hold an equivalent value of 3 times their annual base salaries, and all other executives will be expected to accumulate and hold an equivalent value of 2 times their annual base salaries. All executive officers have five years to achieve this accumulated value requirement from January 1, 2007, or the date that the executive officer assumes his or her position, whichever is later. These targets were determined and set as the result of benchmark surveys conducted against industry survey data. Elements that will qualify towards ownership goals will include: vested and unvested restricted stock and restricted stock units, vested and unexercised stock options, stock purchase plan holdings and any other shares of Common Stock owned outright.

401(k) Plan and Other Health and Life Insurance Premium

Our named executive officers, like other employees, are eligible to participate in our 401(k) plan. In any plan year, we will contribute to each participant a matching contribution equal to 50% of the first 6% of the participant's eligible compensation that has been contributed to the plan. In addition, all named executive officers and other employees are eligible to participate in all health and welfare benefits offered by us in accordance with the terms and conditions of such plans or arrangements.

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We do not provide pension arrangements or post-retirement health coverage for our named executive officers or other employees.

Other Compensation

At the end of fiscal 2006, we gave to each employee a Sony PLAYSTATION®3 ("PS3™") computer entertainment system which features our XDR™ memory and FlexIO™ processor bus interface technologies. We also paid a tax gross-up to each employee with respect to the value of the PS3™ received.

From time to time, primarily as a recruitment tool, the Compensation Committee has approved certain other compensation in the form of reimbursement or payment of relocation costs. For instance, in 2006, Rambus paid such expenses for Mr. Rishi in connection with his initial employment. We also have a policy of paying for or reimbursing various living expenses in connection with our executive officers whose job duties require them to work for us abroad, such as with Mr. Patel in 2006. Rambus will also make tax gross-up payments on these relocation, expatriate and related other compensation.

Rambus does not provide any other perquisites or other compensation to its named executive officers.

Employment and Retention Agreements

All of our employees, including our named executive officers, are employees-at-will and as such typically do not have employment contracts with us, except in the case of some employees of our foreign subsidiaries and as discussed below. We also do not provide post-employment health coverage or other benefits, except in connection with the retention agreements, details of which are included below.

The Compensation Committee periodically evaluates the need for such agreements with respect to market practices in order to remain competitive and attract and retain executive officers. For instance, individual circumstances may arise which lead to entering into such agreements to attract executive officers to join our company.

In addition, in 2006, as part of the arrangement for Mr. Danforth to assume a role focused on certain litigation matters, the Compensation Committee approved the entry into an employment agreement with Mr. Danforth. Mr. Danforth, who was our Senior Vice President and General Counsel, entered into the amended and restated employment agreement with us effective February 1, 2006. Pursuant to the terms of the agreement, Mr. Danforth is employed as a full-time employee during a period in which we and Mr. Danforth mutually agree and afterwards as a part-time employee through a subsequent twelve-month period. The agreement will terminate once all payments due and all other obligations of the parties have been made or satisfied. Mr. Danforth's base salary and annual target bonus will be set by us in our sole discretion and he will also be paid certain additional bonuses if and when certain triggering events relating to outcomes in certain litigation matters occur during the term of the agreement. For fiscal year 2006, Mr. Danforth was issued 63,383 RSUs as a result of the achievement of certain of these triggering events. If Mr. Danforth's employment is involuntarily terminated prior to October 22, 2007 by us other than for "Cause" (as defined in the agreement) or other than due to Mr. Danforth's death or "Disability" (as defined in the agreement), then subject to Mr. Danforth entering into a release of claims in favor of us, Mr. Danforth shall receive severance from us which shall include certain salary and bonus payments and immediate accelerated vesting of stock options to acquire shares of our Common Stock to the same extent as if Mr. Danforth had remained employed by us through October 22, 2007. Had this provision in Mr. Danforth's agreement been triggered on December 31, 2006, the value of the accelerated equity grants would have amounted to approximately $1.5 million. Effective July 27, 2006, Mr. Danforth left the position of Senior Vice President, General Counsel and assumed the role of senior legal advisor in which he focuses on the management of certain of our litigation matters.

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Compensation Committee Report

Our Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis with management and, based on such review and discussions, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this report.

THE COMPENSATION COMMITTEE

Penelope A. Herscher (Chair)
Kevin Kennedy
David Shrigley

Summary Compensation Table

The following table shows compensation information for 2006 for the named executive officers.

Summary Compensation
For Fiscal Year 2006

Name and Title	Year	Salary ($)	Bonus ($)	Stock Awards(1) ($)	Option Awards(2) ($)	Non-Equity Incentive Plan Compensation(3) ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)	All Other Compensation(4) ($)	Total ($)
Harold E. Hughes (5) Chief Executive Officer	2006	375,000	—	—	1,857,443	662,282	—	9,388	2,904,113
Satish Rishi(6) Senior Vice President, Finance and Chief Financial Officer	2006	208,077	—	305,995	868,169	256,445	—	451,886(7)	2,090,572
Robert K. Eulau (8) Former Chief Financial Officer	2006	50,305	—	—	248,260(9)	—	—	2,554	301,119
John D. Danforth (10) Senior Legal Advisor	2006	255,000	—	968,171	2,141,852(11)	296,201	—	11,274	3,672,498
Laura Sue Stark Senior Vice President, Platform Solutions	2006	255,000	—	—	2,312,180	343,217	—	11,455	2,921,852
Kevin S. Donnelly Senior Vice President, Technology Development	2006	246,000	—	—	2,273,933	317,895		11,625	2,849,453
Samir A. Patel(12) Former Senior									

Vice President, Product Development & Production	2006	240,000	—	—	1,609,941	307,095	—	37,205(13)	2,194,241

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(1) Stock awards consist of restricted stock granted in connection with the hiring of Mr. Rishi and RSUs as part of a special litigation incentive for Mr. Danforth. Amounts shown do not reflect compensation actually received by the named executive officer. Instead, the amounts shown are the dollar amounts recognized for financial statement reporting purposes by Rambus in fiscal year 2006 for stock awards in accordance with the provisions of SFAS 123(R). The assumptions used to calculate the value of stock awards are set forth under Note 9 of the Notes to Consolidated Financial Statements included in this Annual Report on Form 10-K.

(2) Amounts shown do not reflect compensation actually received by the named executive officers. Instead, the amounts shown are the dollar amounts, disregarding the estimate of forfeitures related to service-based vesting conditions, recognized for financial statement reporting purposes by Rambus in fiscal year 2006 for stock option awards in accordance with the provisions of SFAS 123(R). Stock compensation expense calculations for financial statement purposes spread the grant date cost of those awards over the service period. Therefore, amounts in this column include the expense for awards granted in fiscal year 2006 and previous years. The assumptions used to calculate the value of stock option awards are set forth under Note 9 of the Notes to Consolidated Financial Statements included in this Annual Report on Form 10-K.

(3) Amounts consist of bonuses earned for services rendered in fiscal year 2006 under our 2006 incentive plan.

(4) In addition to any amounts disclosed with respect to individual named executive officers, amounts reported in the "All Other Compensation" column consist of (1) matching contributions to the named executive officers' 401(k) accounts, (2) premiums paid for health and welfare insurance policies, and (3) tax "gross-ups" of $312 per employee for PS3™ entertainment systems provided to all of our employees.

(5) Mr. Hughes assumed the additional responsibility as our Chief Financial Officer from March 2, 2006 to April 10, 2006.

(6) Mr. Rishi joined Rambus as Senior Vice President, Finance and Chief Financial Officer on April 11, 2006.

(7) We provided Mr. Rishi with taxable and non-taxable relocation benefits valued at $165,740 and $31,835, respectively, and paid Mr. Rishi an additional $127,839 to cover tax expenses related to these relocation benefits. Mr. Rishi also received a $120,000 sign-on bonus.

(8) Mr. Eulau served as our Senior Vice President, Finance and Chief Financial Officer until March 1, 2006.

(9) As a result of his separation and pursuant to their terms, Mr. Eulau forfeited options representing 309,154 shares of Common Stock that were unvested at the time he ended his employment with us.

(10) Mr. Danforth served as our Senior Vice President, General Counsel and Secretary until July 27, 2006, at which time he assumed the non-executive position of senior legal advisor.

(11) On December 31, 2006, we amended two stock option agreements, each dated October 8, 2001, with Mr. Danforth to increase the exercise price per share from $8.00 to $11.72 for outstanding, unexercised stock options to purchase 59,445 shares of our Common Stock held by Mr. Danforth. The value of Mr. Danforth's stock option awards includes the deemed exchanged value of these options.

(12) Mr. Patel served as Senior Vice President, Product Development & Production until January 2, 2007.

(13) In connection with Mr. Patel's service in India through July 2006, we provided Mr. Patel with housing, education, and estimated tax related payments of $25,331.

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Grants of Plan Based Awards

The following table shows all plan-based awards granted to the named executive officers during fiscal year 2006. The option awards and the unvested portion of the stock awards identified in the table below are also reported in the Outstanding Equity Awards at Fiscal 2006 Year-End Table that follows.

Grants of Plan-Based Awards
For Fiscal Year 2006

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards (1) Threshold ($)	Target ($)	Maximum ($)	Estimated Future Payouts Under Equity Incentive Plan Awards Threshold (#)	Target (#)	Maximum (#)	All Other Stock Awards Number of Shares or Stock Units (2) (#)	All Other Option Awards: Number of Securities Underlying Options (3) (#)	Exercise or Base Price of Option Awards ($/Sh)	Grant Date Fair Value of Stock & Options Awards (4) (($)
Harold E. Hughes	1/6/2006	—	—	—	—	—	—	—	270,000	22.94	3,866,643
	—	213,750	375,000	795,000	—	—	—	—	—	—	—
Satish Rishi	4/11/2006	—	—	—	—	—	—	40,000	—	0.001	1,632,000
	4/11/2006	—	—	—	—	—	—	—	220,000	40.80	6,004,834
	—	114,000	200,000	424,000	—	—	—	—	—	—	—
Robert K. Eulau	1/6/2006	—	—	—	—	—	—	—	75,000	22.94	1,074,068
	—	105,450	185,000	392,200	—	—	—	—	—	—	—
John D. Danforth (5)	12/31/06	—	—	—	—	—	—	—	59,445	11.72	—
	5/2/2006	—	—	—	—	—	—	26,780	—	—	999,965
	2/1/2006	—	—	—	—	—	—	36,603	—	—	999,994
	1/6/2006	—	—	—	—	—	—	—	100,000	22.94	1,432,090
	—	105,450	185,000	392,200	—	—	—	—	—	—	—
Laura Sue Stark	1/6/2006	—	—	—	—	—	—	—	70,000	22.94	1,002,463
	—	111,150	195,000	413,400	—	—	—	—	—	—	—
Kevin S. Donnelly	1/6/2006	—	—	—	—	—	—	—	70,000	22.94	1,002,463
	—	102,600	180,000	381,600	—	—	—	—	—	—	—
Samir A. Patel	1/6/2006	—	—	—	—	—	—	—	70,000	22.94	1,002,463
	—	102,600	180,000	381,600	—	—	—	—	—	—	—

(1) Amounts shown are estimated payouts for fiscal year 2006 to the named executive officers based on the 2006 bonus targets under the plan discussed under "Compensation Discussion and Analysis—2006 Executive Compensation Components—Performance-based Incentive Plan." Actual bonuses received by these named executive officers for fiscal 2006 are reported in the Summary Compensation for Fiscal Year 2006 table under the column entitled "Non-Equity Incentive Plan Compensation."

(2) Stock awards consist of restricted stock granted in connection with the hiring of Mr. Rishi and RSUs granted as part of a special litigation incentive for Mr. Danforth.

(3) All options granted to the named executive officers in fiscal 2006 vest 10% after six months and the remaining options vest monthly in 1/60 increments.

(4) The value of a stock award or option award is based on the fair market value as of the grant date of such award determined pursuant to SFAS 123(R). Stock awards consist of restricted stock and RSU awards. The exercise price for all options granted to the named executive officers is 100% of the fair market value of the shares on the grant

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date. The option exercise price has not been deducted from the amounts indicated above. Regardless of the value placed on a stock option on the grant date, the actual value of the option will depend on the market value of our Common Stock at such date in the future when the option is exercised. The proceeds to be paid to the individual following this exercise do not include the option exercise price.

(5) In addition, as described under "Compensation Discussion and Analysis—2006 Executive Compensation Components—Employment and Retention Agreements," Mr. Danforth was entitled to certain additional bonuses if and when certain triggering events relating to outcomes in certain litigation matters occur during the term of his agreement. On December 31, 2006, we amended two Stock Option Agreements, each dated October 8, 2001, with Mr. Danforth to increase the exercise price per share from $8.00 to $11.72 for outstanding, unexercised stock options to purchase 59,445 shares of our Common Stock held by Mr. Danforth. The value of Mr. Danforth's stock option awards includes the deemed exchanged value of these options.

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Outstanding Equity Awards at Fiscal Year-End

The following table shows all outstanding equity awards held by the named executive officers as of December 31, 2006. Unvested stock awards reported in the Grants of Plan-Based Awards Table on the previous page are also included in the table below.

Outstanding Equity Awards at Fiscal 2006 Year-End

	Option Awards					Stock Awards			
Name	# of Securities Underlying Unexercised Option (#) Exercisable	# of Securities Underlying Unexercised Option (#) Unexercisable	Equity Incentive Plan Awards: # of Securities Underlying Unexercised Unearned Options (#)	Option Exercise ($)	Option Expiration Date	# of Shares or Units of Stock That Have Not Vested (#)	Mkt Value of Shares or Units of Stock That Have Not Vested ($)(6)	Equity Incentive Plan Awards: # of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equ Incer Pl Award or Pa Valu Unea Shares, or Other I That I Not V ($
Harold E. Hughes	119,791	130,209(1)	—	$21.5100	1/10/2015	—	—	—	
	35,000	5,000(2)	—	$17.5100	6/2/2013	—	—	—	
	5,376	9,167(3)	—	$16.0700	10/1/2014	—	—	—	
	49,500	220,500(4)	—	$22.9400	1/6/2016	—	—	—	
Satish Rishi	29,333	190,667(5)	—	$40.8000	4/11/2016	35,000(23)	$662,550	—	
Robert K. Eulau	—	—	—	—	—	—	—	—	
John D. Danforth	30,555(21)	0	—	$ 8.0000	10/8/2011	20,916(24)	$395,940	—	
	34,445(22)	0	—	$11.7200	10/8/2011	17,854(25)	$337,976	—	
	25,000(22)	0	—	$11.7200	10/8/2011	—	—	—	
	75,000	75,000(7)	—	$ 7.5000	4/10/2012	—	—	—	
	68,000	12,000(8)	—	$ 8.6370	11/21/2012	—	—	—	
	0	70,000(9)	—	$25.1600	11/25/2013	—	—	—	
	100,000	0(10)	—	$31.1600	1/30/2014	—	—	—	
	0	20,000(11)	—	$31.1600	1/30/2014	—	—	—	
	0	40,000(12)	—	$31.1600	1/30/2014	—	—	—	
	0	70,000(13)	—	$24.0400	12/3/2014	—	—	—	
	18,333	81,667(4)	—	$22.9400	1/6/2016	—	—	—	
Laura Sue Stark	140,000	0(14)	—	$15.6719	10/20/2009	—	—	—	
	60,000	0(19)	—	$54.6250	12/12/2010	—	—	—	
	20,000	0(16)	—	$ 4.8600	8/23/2011	—	—	—	
	15,000	15,000(8)	—	$ 8.6370	11/21/2012	—	—	—	
	50,000	0(18)	—	$25.1600	11/25/2013	—	—	—	
	0	65,000(20)	—	$25.1600	11/25/2013	—	—	—	
	0	85,000(9)	—	$25.1600	11/25/2013	—	—	—	
	0	85,000(13)	—	$24.0400	12/3/2014	—	—	—	
	12,833	57,167(4)	—	$22.9400	1/6/2016	—	—	—	
	0	80,000(15)	—	$ 2.5000	12/1/2009	—	—	—	
Kevin S. Donnelly	9,628	0(17)	—	$15.3125	2/18/2009	—	—	—	
	50,000	0(18)	—	$25.1600	11/25/2013	—	—	—	
	60,000	0(19)	—	$54.6250	12/12/2010	—	—	—	
	60,000	0(16)	—	$ 4.8600	8/23/2011	—	—	—	
	0	65,000(20)	—	$25.1600	11/25/2013	—	—	—	
	68,372	0(17)	—	$15.3125	2/18/2009	—	—	—	
	12,833	57,167(4)	—	$22.9400	1/6/2016	—	—	—	
	60,000	15,000(8)	—	$ 8.6370	11/21/2012	—	—	—	

	0	75,000(13)	—	$24.0400	12/3/2014	—	—	—
	0	80,000(15)	—	$ 2.5000	12/1/2009	—	—	—
	0	85,000(9)	—	$25.1600	11/25/2013	—	—	—
	160,000	0(14)	—	$15.6719	10/20/2009	—	—	—
Samir A. Patel	40,000	0(19)	—	$54.6250	12/12/2010	—	—	—
	60,000	0(14)	—	$15.6719	10/20/2009	—	—	—
	0	60,000(15)	—	$ 2.5000	12/1/2009	—	—	—
	47,223	0(16)	—	$ 4.8600	8/23/2011	—	—	—
	51,000	9,000(8)	—	$ 8.6370	11/21/2012	—	—	—
	30,000	0(18)	—	$25.1600	11/25/2013	—	—	—
	0	40,000(20)	—	$25.1600	11/25/2013	—	—	—
	0	50,000(9)	—	$25.1600	11/25/2013	—	—	—
	0	80,000(13)	—	$24.0400	12/3/2014	—	—	—
	12,833	57,167(4)	—	$22.9400	1/6/2016	—	—	—

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(1) The option was granted on January 10, 2005. Options representing 1/48th of the shares vest monthly during the four year period following the grant date.
(2) The option was granted on June 2, 2003. Options representing 5,000 shares vested on December 2, 2003 and the remaining options vested in equal monthly installments until it was fully vested on June 2, 2007.
(3) The option was granted on October 1, 2004. Options representing 1/48th of the shares vest per month over the four year period following the grant date.
(4) The option was granted on January 6, 2006. Options representing 10% of the shares vested six months from the grant date and the remaining shares vest in equal monthly installments until it is fully vested on January 6, 2011.
(5) The option was granted on April 11, 2006. Options representing 10% of the shares vested six months from the grant date and the remaining shares vest in equal monthly installments until it is fully vested on April 11, 2011.
(6) The market value is calculated using the closing price of our Common Stock of $18.93 on December 29, 2006 (the last trading day of 2006), as reported on the Nasdaq Global Select Market, multiplied by the unvested stock amount.
(7) The option was granted on April 10, 2002. Options representing 1/24 th of the total grant began vesting in monthly installments on January 1, 2006.
(8) The option was granted on November 21, 2002. Options representing 1/60 th of the total grant began vesting in monthly installments on September 30, 2002.
(9) The option was granted on November 25, 2003. Options representing 1/12 th of the total grant will begin vesting in monthly installments on January 1, 2008.
(10) The option was granted on January 30, 2004. Options representing 1/24 th of the total grant vested in monthly installments over 24 months beginning on January 1, 2004. The option is now fully vested.
(11) The option was granted on January 30, 2004. Options representing 1/12 th of the total grant began vesting in monthly installments on January 1, 2007.
(12) The option was granted on January 30, 2004. Options representing 1/12 th of the total grant will begin vesting in monthly installments on January 1, 2008.
(13) The option was granted on December 3, 2004. Options representing 1/12 th of the total grant will begin vesting in monthly installments on January 1, 2009.
(14) The option was granted on October 20, 1999. Options representing 1/24th of the total grant vested in monthly installments beginning January 1, 2003. The option is now fully vested.
(15) The option was granted on December 1, 1999. The option is no longer eligible to vest due to vesting milestones that were never achieved.
(16) The option was granted on August 23, 2001. Options representing 50% of the total grant vested monthly over two years beginning September 30, 2001. The remaining 50% of the total grant vested monthly over three years beginning September 30, 2003. The option is now fully vested.
(17) The option was granted on February 18, 1999. Options representing 1/48th of the total grant vested in monthly installments beginning February 18, 1999. The option is now fully vested.
(18) The option was granted on November 25, 2003. Options representing 1/24th of the total grant vested in monthly installments beginning on January 1, 2005. The option is now fully vested.
(19) The option was granted on December 12, 2000. Options representing 1/12th of the total grant vested in monthly installments beginning on January 1, 2005. The option is now fully vested.
(20) The option was granted on November 25, 2003. Options representing 1/12th of the total grant began vesting on January 1, 2007 in monthly installments.

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(21) The option was granted on October 8, 2001. Due to the mispricing of this option grant, this grant was split into two grants. One of the two grants has already been fully exercised. Options representing 10% of the total grant vested six months from the grant date and the remaining shares vested in monthly installments. The options are now fully vested.
(22) The option was granted on October 8, 2001. Due to the mispricing of this option grant, this grant was split into two grants. Options representing 10% of the total grant vested six months from the grant date and the remaining shares vested in monthly installments. The options are now fully vested.
(23) The restricted stock award was granted on April 11, 2006. A portion of the restricted stock award representing 5,000 shares vested on April 24, 2007 and restricted stock representing 10,000 shares will vest on the first available trading day under our insider trading policy in April 2008, 2009 and 2010.
(24) The RSUs were granted on February 1, 2006. A portion of the RSUs representing 5,229 shares vested on January 22, 2007 and April 23, 2007. The remaining RSUs representing 5,229 shares will vest on July 23, 2007 and October 22, 2007.
(25) The restricted stock units were granted on May 2, 2006. A portion of the restricted stock units representing 4,463 shares vested on January 22, 2007 and April 23, 2007. The remaining restricted stock units representing 4,464 shares will vest on July 23, 2007 and October 22, 2007.

Each of the options and other equity awards reflected on the table above were issued under the 1997 Plan, the 1999 Plan or the 2006 Plan, which are plans that were or are available to all of our employees.

In the case of the 1997 Plan and the 1999 Plan, if a "merger" of the Company occurs, as defined in the relevant plan, each outstanding option or equity award will be assumed or an equivalent option or right substituted by the successor company. Following such assumption or substitution, if the participant's status as a service provider is terminated by the successor corporation as a result of an "involuntary termination" other than for "cause," each as defined in the relevant plan, within twelve months following the merger, then the participant will fully vest and have the right to exercise all of his or her options and will convert any other equity awards into shares of Common Stock. In the event that the successor company refuses to assume or substitute for the equity award the participant will fully vest in and have the right to exercise all of his or her options or stock appreciation rights, including shares as to which such awards would not otherwise be vested or exercisable, all restrictions on restricted stock will lapse, and, with respect to restricted stock units, performance shares and performance units, all performance goals or other vesting criteria will be deemed achieved at target levels and all other terms and conditions met immediately prior to the merger. In addition, if an option or stock appreciation right becomes fully vested and exercisable in lieu of assumption or substitution in the event of a merger, the administrator of the relevant plan will notify the participant that the option or stock appreciation right will be fully vested and exercisable for 15 days from such notice, and the option or stock appreciation right will terminate upon the expiration of such 15-day period.

In the case of the 2006 Plan, in the event of a "change of control" of the Company, as defined in the plan, each outstanding option or equity award will be assumed or an equivalent option or right substituted by the successor company. In the event that the successor company refuses to assume or substitute for the option or equity award, the participant will fully vest in and have the right to exercise all of his or her options or stock appreciation rights, including shares as to which such awards would not otherwise be vested or exercisable, all restrictions on restricted stock will lapse, and, with respect to restricted stock units, performance shares and performance units, all performance goals or other vesting criteria will be deemed achieved at target levels and all other terms and conditions met. In addition, if an option or stock appreciation right becomes fully vested and exercisable in lieu of assumption or substitution in the event of a change of control, the administrator of the 2006 Plan will notify the participant that the option or stock appreciation right will be fully vested and exercisable for a period of time determined by the administrator, and the option or stock appreciation right will terminate upon the expiration of such period.

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Option Exercises and Stock Vested

The following table shows all stock options exercised and value realized upon exercise, and all stock awards vested and value realized upon vesting, by the named executive officers during fiscal year 2006.

Option Exercises and Stock Vested Table
For Fiscal Year 2006

	Option Awards		Stock Awards	
Name	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise(1) ($)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting(2) ($)
Harold E. Hughes	5,457	60,627	—	—
Satish Rishi	—	—	5,000	83,795
Robert K. Eulau	463,846	10,343,583	—	—
John D. Danforth	170,000	4,736,610	9,692(3)	144,120
	—	—	9,692(4)	162,438
	—	—	5,229	232,691
Laura Sue Stark	210,265	5,233,735	—	—
Kevin S. Donnelly	154,000	3,982,973	—	—
Samir A. Patel	148,431	3,235,394	—	—

(1) The value realized equals the difference between the option exercise price and the sale price on the date of exercise, multiplied by the number of shares of Common Stock for which the option was exercised.
(2) The value realized equals the market value of our Common Stock on the vesting date, multiplied by the number of shares that vested.
(3) Of this amount, 140 shares of Common Stock were withheld by us to cover tax withholding obligations.
(4) Of this amount, 140 shares of Common Stock were withheld by us to cover tax withholding obligations.

Potential Payments Upon Termination or Change-in-Control

Mr. Danforth has entered into an employment agreement with the Company which provides for payment upon certain termination events and is described in detail under "Compensation Discussion and Analysis—2006 Executive Compensation Components—Employment and Retention Agreements" above.

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Compensation of Directors

The following table shows compensation information for our current and former non-employee directors for 2006.

Director Compensation
For Fiscal Year 2006

Name	Fees Earned or Paid in Cash ($)	Stock Awards(1) ($)	Option Awards(2) ($)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Non-Qualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
J. Thomas Bentley	30,000	—	142,519(3)	—	—	648	173,167
Sunlin Chou	19,097	—	199,190(4)	—	—	648	218,935
Bruce Dunlevie	25,000	—	190,043(5)	—	—	648	215,691
P. Michael Farmwald	25,000	—	177,123(6)	—	—	648	202,771
Penelope A. Herscher	11,753	—	73,127(7)	—	—	648	85,528
Kevin Kennedy	25,000	—	268,749(8)	—	—	648	294,397
David J. Mooring (9)	—	—	680,638(10)	—	—	—	680,638
Mark Pinto	—	—	— (11)	—	—	—	—
David Shrigley	5,571	—	30,333(12)	—	—	648	36,552
Abraham Sofaer	22,500	—	103,621(13)	—	—	8,123(14)	134,244
Geoff Tate (15)	15,208	—	159,997(16)	—	—	2,998	178,203

(1) None of the directors held any restricted stock units or restricted stock awards at the end of 2006.

(2) Amounts shown do not reflect compensation actually received by the non-employee directors. Instead, the amounts shown are the dollar amounts, disregarding the estimate of forfeitures related to service-based vesting conditions, recognized for financial statement reporting purposes by Rambus in fiscal year 2006 for stock option awards in accordance with the provisions of SFAS 123(R). Stock compensation expense calculations for financial statement purposes spread the grant date cost of those awards over the vesting period. Therefore, amounts in this column include the expense for awards granted in fiscal year 2006 and previous years. The assumptions used to calculate the value of stock option awards are set forth under Note 9 of the Notes to Consolidated Financial Statements included in this Annual Report on Form 10-K.

(3) Reflects the compensation costs recognized by Rambus in 2006 associated with (a) an option award of 40,000 shares of Common Stock made on March 11, 2005 at an exercise price of $14.00 per share, with a fair value as of the grant date of $9.20 disregarding forfeiture assumptions and (b) an option award of 20,000 shares of Common Stock made on October 3, 2005 at an exercise price of $12.11 per share, with a fair value as of the grant date of $7.09 disregarding forfeiture assumptions and (c) an option award of 20,000 shares of Common Stock made on October 2, 2006 at an exercise price of $17.14 per share, with a fair value as of the grant date of $12.31 disregarding forfeiture assumptions. Mr. Bentley had options to purchase an aggregate of 72,917 shares outstanding as of December 31, 2006.

(4) Reflects the compensation costs recognized by Rambus in 2006 associated with (a) an option award of 40,000 shares of Common Stock made on March 27, 2006 at an exercise price of $38.59 per share, with a fair value as of the grant date of $24.09 disregarding forfeiture assumptions and (b) an option award of 20,000 shares of Common Stock made on October 2, 2006 at an exercise price of $17.14 per share, with a fair value as of the grant date of $12.31 disregarding forfeiture assumptions. Mr. Chou had options to purchase an aggregate of 60,000 shares outstanding as of December 31, 2006.

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(5) Reflects the compensation costs recognized by Rambus in 2006 associated with (a) an option award of 20,000 shares of Common Stock made on October 1, 2002 at an exercise price of $4.72 per share, with a fair value as of the grant date of $3.44 disregarding forfeiture assumptions and (b) an option award of 20,000 shares of Common Stock made on October 1, 2003 at an exercise price of $17.04 per share, with a fair value as of the grant date of $13.04 disregarding forfeiture assumptions and (c) an option award of 20,000 shares of Common Stock made on October 1, 2004 at an exercise price of $16.07 per share, with a fair value as of the grant date of $12.28 disregarding forfeiture assumptions and (d) an option award of 20,000 shares of Common Stock made on October 3, 2005 at an exercise price of $12.11 per share, with a fair value as of the grant date of $7.09 disregarding forfeiture assumptions and (e) an option award of 20,000 shares of Common Stock made on October 2, 2006 at an exercise price of $17.14 per share, with a fair value as of the grant date of $12.31 disregarding forfeiture assumptions. Mr. Dunlevie had options to purchase an aggregate of 340,000 shares outstanding as of December 31, 2006.

(6) Reflects the compensation costs recognized by Rambus in 2006 associated with (a) an option award of 20,000 shares of Common Stock made on October 1, 2003 at an exercise price of $17.04 per share, with a fair value as of the grant date of $13.04 disregarding forfeiture assumptions and (b) an option award of 20,000 shares of Common Stock made on October 1, 2004 at an exercise price of $16.07 per share, with a fair value as of the grant date of $12.28 disregarding forfeiture assumptions and (c) an option award of 20,000 shares of Common Stock made on October 3, 2005 at an exercise price of $12.11 per share, with a fair value as of the grant date of $7.09 disregarding forfeiture assumptions and (d) an option award of 20,000 shares of Common Stock made on October 2, 2006 at an exercise price of $17.14 per share, with a fair value as of the grant date of $12.31 disregarding forfeiture assumptions. Mr. Farmwald had options to purchase an aggregate of 80,000 shares outstanding as of December 31, 2006.

(7) Reflects the compensation costs recognized by Rambus in 2006 associated with (a) an option award of 40,000 shares of Common Stock made on July 12, 2006 at an exercise price of $22.36 per share, with a fair value as of the grant date of $15.53 disregarding forfeiture assumptions. Ms. Herscher had options to purchase an aggregate of 40,000 shares outstanding as of December 31, 2006.

(8) Reflects the compensation costs recognized by Rambus in 2006 associated with (a) an option award of 40,000 shares of Common Stock made on March 31, 2003 at an exercise price of $13.21 per share, with a fair value as of the grant date of $9.17 disregarding forfeiture assumptions and (b) an option award of 20,000 shares of Common Stock made on October 1, 2003 at an exercise price of $17.04 per share, with a fair value as of the grant date of $13.04 disregarding forfeiture assumptions and (c) an option award of 20,000 shares of Common Stock made on October 1, 2004 at an exercise price of $16.07 per share, with a fair value as of the grant date of $12.28 disregarding forfeiture assumptions and (d) an option award of 20,000 shares of Common Stock made on October 3, 2005 at an exercise price of $12.11 per share, with a fair value as of the grant date of $7.09 disregarding forfeiture assumptions and (e) an option award of 20,000 shares of Common Stock made on October 2, 2006 at an exercise price of $17.14 per share, with a fair value as of the grant date of $12.31 disregarding forfeiture assumptions. Mr. Kennedy had options to purchase an aggregate of 120,000 shares outstanding as of December 31, 2006.

(9) Mr. Mooring's employment with us ended in February 2006, but he remained as a director until May 10, 2006. Mr. Mooring did not receive any compensation as a director in fiscal year 2006. Except as specifically disclosed, the amount reflected above do not include any amounts that Mr. Mooring received as an employee.

(10) Reflects the compensation costs recognized by Rambus in 2006 associated with (a) an option award of 600,000 shares of Common Stock made on August 23, 2001 at an exercise price of $4.86 per share, with a fair value as of the grant date of $10.52 disregarding forfeiture assumptions and (b) an option award of 400,000 shares of Common Stock made on November 21, 2002 at an exercise price of $8.64 per share, with a fair value as of the grant date of $6.38 disregarding forfeiture assumptions and (c) an option award of 200,000 shares of Common Stock made on November 25, 2003 at an exercise price of $25.16 per share, with a fair value as of the grant date of $24.76 disregarding forfeiture assumptions and (d) an option award of 85,000 shares of Common Stock made on December 3, 2004 at an exercise price of $24.04 per share, with a fair value as of the grant date of $19.43 disregarding forfeiture assumptions. The amount reflected as stock compensation expense recognized by us in 2006 is related to stock options granted to Mr. Mooring between 2001 and 2004 while he was an executive officer. When Mr. Mooring resigned from the board he forfeited all of his 680,001 unvested options to purchase Common Stock.

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(11) Due to corporate conflicts, Mr. Pinto resigned from Rambus Board on March 17, 2006. Reflects the compensation costs recognized by Rambus in 2006 associated with (a) an option award of 40,000 shares of Common Stock made on March 10, 2006 at an exercise price of $31.36 per share, with a fair value as of the grant date of $19.58. Upon resignation, all of Mr. Pinto's stock options terminated. Mr. Pinto had no outstanding shares as of December 31, 2006.
(12) Reflects the compensation costs recognized by Rambus in 2006 associated with (a) an option award of 40,000 shares of Common Stock made on October 11, 2006 at an exercise price of $19.13 per share, with a fair value as of the grant date of $13.68 disregarding forfeiture assumptions. Mr. Shrigley had options to purchase an aggregate of 40,000 shares outstanding as of December 31, 2006.
(13) Reflects the compensation costs recognized by Rambus in 2006 associated with (a) an option award of 40,000 shares of Common Stock made on May 4, 2005 at an exercise price of $14.24 per share, with a fair value as of the grant date of $8.85 disregarding forfeiture assumptions and (b) an option award of 20,000 shares of Common Stock made on October 2, 2006 at an exercise price of $17.14 per share, with a fair value as of the grant date of $12.31 disregarding forfeiture assumptions. Mr. Sofaer had options to purchase an aggregate of 60,000 shares outstanding as of December 31, 2006.
(14) All other compensation for Mr. Sofaer includes quarterly retainer paid in Common Stock with a value of $7,475.
(15) Mr. Tate was an employee of Rambus until January 13, 2006, and he remained as a director and Chairman of the Board until August 13, 2006. Except as specifically disclosed, the amounts reflected above do not include any amounts that Mr. Tate received as an employee.
(16) Reflects the compensation costs recognized by Rambus in 2006 associated with (a) an option award of 600,000 shares of Common Stock made on August 23, 2001 at an exercise price of $4.86 per share, with a fair value as of the grant date of $10.52 disregarding forfeiture assumptions and (b) an option award of 400,000 shares of Common Stock made on November 21, 2002 at an exercise price of $8.64 per share, with a fair value as of the grant date of $6.38 disregarding forfeiture assumptions and (c) an option award of 200,000 shares of Common Stock made on November 25, 2003 at an exercise price of $25.16 per share, with a fair value as of the grant date of $20.34 disregarding forfeiture assumptions and (d) an option award of 150,000 shares of Common Stock made on November 25, 2003 and an exercise price of $25.16 per share, with a fair value as of the grant date of $19.27 disregarding forfeiture assumptions and (e) an option award of 100,000 shares of Common Stock made on December 3, 2004 at an exercise price of $24.04 per share, with a fair value as of the grant date of $19.43 disregarding forfeiture assumptions. The amount reflected as stock compensation expense recognized by us in 2006 is related to stock options granted to Mr. Tate between 2001 and 2004 while he was an executive officer. Effective January 13, 2006, at his request, Mr. Tate entered into an agreement with us pursuant to which Mr. Tate agreed to cancel an aggregate of 665,000 unvested options to purchase Common Stock and 500,000 unvested Common Stock equivalents held by him. This action was taken by Mr. Tate unilaterally in connection with his wishing to conform his compensation going forward as a non-employee Board member to our then current policies with respect to Board and executive compensation. Mr. Tate resigned from the Board of Directors on August 13, 2006, and thus his remaining 2,736,800 options expired by their terms on November 13, 2006.

Overview of Compensation and Procedures

We review the level of compensation of our independent directors on an annual basis. To determine the appropriate level of compensation for independent directors we have historically obtained data from a number of different sources including:

- publicly available data describing director compensation in Compensation Peer Group companies and
- survey data collected by our human resources department.

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As part of the ongoing strategy to modify the composition of our Board through the addition of independent directors, in 2006 we evaluated and recommended several changes to director cash compensation. Since 2005, we have added the following independent Directors; Thomas Bentley, Abraham Sofaer, Sunlin Chou, Penelope Herscher, and David Shrigley. We compensate non-employee members of the board through a mixture of cash and equity-based compensation. In 2006, each independent director received an annual retainer of $25,000 paid in quarterly installments for their services as a director. The Chairpersons of the Audit Committee and Legal Affairs Committee each received an annual retainer of $30,000 paid in quarterly installments. After reviewing market data against our Compensation Peer Group, multiple surveys and public sources, and considering the time commitment that frequent meetings required of our directors, the Compensation Committee recommended and the Board considered and approved a proposal to raise our cash compensation for non-employee independent directors. In 2007, we will pay each of our independent directors an annual retainer of $40,000, our Chairperson and the Audit Committee Chairperson will each receive an annual retainer of $65,000, our Compensation Committee and all other committee chairs will receive an annual retainer of $50,000. In addition, as a result of the effort and time expended by our independent directors on the investigation of historical stock option grants and related matters, in 2007, once we are current with our SEC filing obligations, we will pay each member of the Special Litigation Committee a one-time payment of $75,000 and each of our other independent directors serving on the Audit Committee and the Compensation Committee a one-time payment of $35,000.

Each independent director is granted an initial option to purchase 40,000 shares of Common Stock when he or she is first appointed a member of our Board of Directors. On the first trading day of October each year, each independent director receives an annual stock option grant to purchase 20,000 shares of our Common Stock at a price equal to the fair market value of our Common Stock on the date of grant, so long as that director have been serving on the Board for at least six months on such date. The expiration date of such options may not exceed ten years. The automatic option grants generally vest over a four-year period, with one-eighth of shares subject to the option vesting six months after the date of grant and the remaining shares vesting ratably each month thereafter, subject to the independent director continuing to provide services to us through each applicable vesting date. The automatic grants do not limit the ability of the administrator of the 2006 Plan to grant other discretionary awards to independent directors under the plan, and the administrator has the discretion to change the terms of the automatic grants prospectively.

Awards granted to the independent directors under the 2006 Plan are generally not transferable, and all rights with respect to an award granted to a participant generally will be available during a participant's lifetime only to the participant.

Each of the options granted to our independent directors was issued under the 1997 Plan or the 2006 Plan, which are plans that are available to all of our employees. As described under Item 11, "Executive Compensation, Outstanding Equity Awards at Fiscal Year-End," the 1997 Plan provides for certain acceleration upon a "merger" of the Company, as defined under the 1997 Plan, and the 2006 Plan provides for certain acceleration upon a "change of control" of the Company, as defined under the 2006 Plan. In addition, with respect to options and any other equity awards granted to non-employee directors that are assumed or substituted for upon a change of control under the 2006 Plan, if the non-employee director is terminated other than upon a voluntary resignation, the options and other equity awards granted to such non-employee director will fully vest and be exercisable with respect to 100% of the shares subject to such options and other equity awards.

Pursuant to stock ownership guidelines adopted by the Board, each independent director will be expected to accumulate and hold an equivalent value of our Common Stock of 2 times their annual total cash compensation and to achieve this within five years from January 1, 2007 or the date that the director joined the Board, whichever is later. Directors are expected to maintain this minimum amount of stock ownership throughout their tenure on the Board.

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Compensation Committee Interlocks and Insider Participation

During fiscal year 2006, no interlocking relationship existed between any member of our Compensation Committee and any member of any other company's board of directors or compensation committee, nor has any such interlocking relationship existed in the past. With the exception of Dr. Farmwald while he was on the Compensation Committee, during fiscal year 2006, no member of the Compensation Committee was, or was formerly, an officer or an employee of us. As of October 2006, Dr. Farmwald was no longer a member of the Compensation Committee.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Equity Compensation Plan Information

The following table provides information as of December 31, 2006 with respect to the shares of our Common Stock that may be issued under our existing equity compensation plans.

Plan Category	A Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights	B Weighted Average Exercise Price of Outstanding Options, Warrants and Rights	C Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (Excluding Securities Reflected in Column A)
Equity Compensation Plans Approved by Security Holders (1)	13,236,039	$ 18.10	10,772,138
Equity Compensation Plans Not Approved by Security Holders (2)	5,585,463	$ 18.53	—
Total	18,821,502		10,772,138

(1) Data reflects our 1990 Stock Plan (the "1990 Plan"), 1997 Stock Plan (the "1997 Plan"), 2006 Equity Incentive Plan (the "2006 Plan"), 1997 Employee Stock Purchase Plan (the "1997 Purchase Plan") and 2006 Employee Stock Purchase Plan (the "2006 Purchase Plan").

Our 2006 Plan was approved by our stockholders at our 2006 annual meeting. Under the 2006 Plan as approved, a total of 8,400,000 shares of our Common Stock were reserved for issuance. The 2006 Purchase Plan was approved by our stockholders at our 2006 annual meeting. Under the 2006 Purchase Plan as approved, a total of 1,600,000 shares of our Common Stock were reserved for purchase. No offerings have been made under this plan.

Our 1990 Stock Plan was terminated in May 1997 with the adoption of the 1997 Stock Plan. Although no further awards may be made thereunder, the plan continues to govern outstanding awards granted under that plan.

As a result of the stockholder approval of our 2006 Plan, we terminated the 1997 Plan so that, as of the date of termination, no further awards have been or will be made thereunder, but the plan will continue to govern outstanding awards granted under that plan.

The 1997 Purchase Plan will expire at the conclusion of the last offering period on October 31, 2007, with no further offerings to purchase shares of our Common Stock under this plan occurring after expiration. The shares of

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Common Stock reflected in Column A include shares that would be issued in exchange for cash received from employees as of December 31, 2006. The majority of the shares of Common Stock remaining under the 1997 Purchase Plan are not expected to be issued as any remaining shares that are not sold in the October 31, 2007 purchase will not be available for sale pursuant to the expiration of the plan.

(2) Data reflects our 1999 Nonstatutory Stock Option Plan described below.

1999 Nonstatutory Stock Option Plan

The 1999 Nonstatutory Stock Option Plan is our only equity compensation plan that was not approved by our stockholders. As a result of the stockholder approval of our 2006 Equity Incentive Plan, we terminated the 1999 Nonstatutory Stock Option Plan so that, as of the date of termination, no further awards have been or will be made thereunder, but the plan will continue to govern outstanding awards granted under that plan.

Security Ownership of Certain Beneficial Owners and Management

Under the proxy rules of the SEC, a person who directly or indirectly has or shares voting power or investment power with respect to a security is considered a beneficial owner of the security. Voting power is the power to vote or direct the voting of shares, and investment power is the power to dispose of or direct the disposition of shares. Shares as to which voting power or investment power may be acquired within 60 days are also considered as beneficially owned under the proxy rules.

The following table sets forth certain information as of May 31, 2007, regarding beneficial ownership of our Common Stock by: (i) each person who is known to us to own beneficially more than five percent (5%) of our Common Stock; (ii) each of our current directors; (iii) each of the named executive officers in the Summary Compensation Table of this annual report; and (iv) the total for our current directors and current executive officers as a group. The information on beneficial ownership in the table and the footnotes is based upon our records and the most recent Schedule 13D or 13G filed by each such person or entity and information supplied to us by such person or entity. For our named executive officers who are no longer employed by us, the information on beneficial ownership reflects the most recent records we have for such person as of their separation date. Unless otherwise indicated, each person has sole voting power and sole investment power with respect to all shares beneficially owned, subject to community property laws where applicable. Shares subject to options which are exercisable within 60 days of May 31, 2007 are deemed to be outstanding and to be beneficially owned by the person holding such options for the purpose of computing the percentage ownership of such person, but are not deemed to be outstanding and to be beneficially owned for the purpose of computing the percentage ownership of any other person.

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Name or Group of Beneficial Owners	Number of Shares Beneficially Owned	Options Exercisable in 60 Days	Percentage of Shares Beneficially Owned (1)
PRIMECAP Management Company (2) 225 South Lake Ave. #400 Pasadena, CA 91101	11,016,227	—	10.61%
Vanguard Horizon Funds – Vanguard Capital (3) Opportunity Fund 100 Vanguard Blvd. Malvern, PA 19355	5,205,000	—	5.01%
FMR Corp. and affiliates (4) 82 Devonshire Street Boston, MA 02109	5,140,000	—	4.95%
Harold Hughes, Director, Chief Executive Officer and President	365,543	285,543	*
Satish Rishi, Senior Vice President, Finance and (5) Chief Financial Officer	95,000	55,000	*
Robert K. Eulau, Senior Vice President and (6) Chief Financial Officer	71,906	—	*
John Danforth, Senior Legal Advisor (7)	525,708	418,500	*
Laura Sue Stark, Senior Vice President, Platform Solutions	408,916	348,500	*
Kevin S. Donnelly, Senior Vice President, Technology Development	559,542	531,500	*
Samir A. Patel, Former Senior Vice President, (8) Product Development and Production	92,006	—	*
J. Thomas Bentley, Director	35,833	28,750	*
Sunlin Chou, Director (9)	17,083	17,083	*
Bruce Dunlevie, Director (10)	670,492	305,000	*
P. Michael Farmwald, Director	2,823,236	45,000	2.72%
Penelope A. Herscher, Director (11)	10,000	10,000	*
Mark Horowitz, Director	1,433,476	58,500	1.38%
Kevin Kennedy, Chairman of the Board	85,000	85,000	*
David Shrigley, Director (12)	7,500	7,500	*
Abraham D. Sofaer, Director	27,047	25,416	*
All current directors and executive officers as a group (17 persons)	6,808,230	2,071,958	6.56%

* (Less than 1%)

(1) Percentage of shares beneficially owned is based on 103,820,383 shares outstanding as of May 31, 2007.

(2) As reported on Schedule 13G/A filed on March 8, 2007.

(3) As reported on Schedule 13G/A filed on February 14, 2007.

(4) As reported on Schedule 13G filed on February 14, 2007. The Schedule 13G was filed jointly by FMR Corp. and Edward C. Johnson 3d with respect to a subsidiary and fund of FMR Corp. that own the shares.

(5) Mr. Rishi was appointed to his position effective April 11, 2006.

(6) Mr. Eulau resigned from his position effective March 2, 2006.

(7) Effective July 27, 2006, Mr. Danforth left the position of Senior Vice President, General Counsel and assumed the non-executive officer position of senior legal advisor. Mr. Danforth's Number of Shares Beneficially Owned includes 29,076 shares of Common Stock that will be issued to Mr. Danforth upon conversion of outstanding RSUs once we are current with our SEC filings.

(8) Mr. Patel resigned from his position effective January 2, 2007.

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(9) Dr. Chou was appointed to our Board of Directors on March 27, 2006.
(10) Includes 16,000 shares held by Mr. Dunlevie as a trustee for his children and 129,332 shares held jointly with his spouse, Elizabeth W. Dunlevie.
(11) Ms. Herscher was appointed to our Board of Directors on July 14, 2006.
(12) Mr. Shrigley was appointed to our Board of Directors on October 13, 2006.

Item 13. Certain Relationships and Related Transactions, and Director Independence

Transactions with Related Persons

In October 2002, we licensed our serial link technology to NetXen, Inc. (formerly known as Universal Network Machines, Inc.) in exchange for a license fee and royalties based on NetXen's sales of products incorporating the licensed technology. This agreement was approved by a majority of the independent and disinterested members of the Board. Bruce Dunlevie, a member of our Board, is a director of NetXen.

In February 2003, we licensed our serial link technology to Raza Microelectronics, Inc. in exchange for a license fee, engineering fees and royalties based on Raza Microelectronics, Inc.'s sales of products incorporating the licensed technology. In November 2003, we signed an amendment to its serial link technology agreement with Raza Microelectronics, Inc. in exchange for an additional license fee, engineering fees, and royalties based on Raza Microelectronics Inc.'s sales of products incorporating the licensed technology. This amendment was approved by a majority of the independent and disinterested members of our Board. Bruce Dunlevie, a member of our Board, is a director of Raza Microelectronics, Inc.

Review, Approval or Ratification of Transactions with Related Persons

Our directors and executive officers are subject to our Code of Business Conduct and Ethics and our directors are guided in their duties by our Corporate Governance Guidelines. Our Code of Business Conduct and Ethics demands that our directors and executive officers avoid situations where a conflict of interest might occur or appear to occur. In general, our directors and executive officers should not have a pecuniary interest in transactions involving us or a customer, licensee, or supplier of us, unless such interest is solely a result of routine investments made by the individual in publicly traded companies.

In the event that a director or executive officer is going to enter into a related party transaction with a relative or significant other, or with a business in which a relative or significant other is associated in any significant role, the director or executive officer must fully disclose the nature of the related party transaction to the Chief Financial Officer. For directors and executive officers, such related party transaction then must be reviewed and approved in writing in advance by the Audit Committee. For other conflicts of interest that may arise, the Code of Business Conduct and Ethics advises our directors and executive officers to consult with the General Counsel.

In addition, on an annual basis and upon any new appointment, each director and executive officer is required to complete a Director and Officer Questionnaire which requires disclosure of any related party transactions pertaining to the director or executive officer. Our Board of Directors will consider such information in its determinations of independence with respect to our directors under NASD Rule 4200 and the applicable rules promulgated by the SEC.

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Board Independence

Our Board of Directors has determined that each of the following directors, constituting a majority of our Board of Directors, has no material relationship with us (either directly as a partner, stockholder or officer of an organization that has a relationship with us) and is "independent" as defined under NASD Rule 4200 and the applicable rules promulgated by the SEC:

J. Thomas Bentley	Kevin Kennedy
Sunlin Chou	David Shrigley
Bruce Dunlevie	Abraham D. Sofaer
Penelope A. Herscher	

Each of the committees of our Board of Directors is composed of independent directors as follows:

Audit Committee:	J. Thomas Bentley (Chair) Sunlin Chou Abraham D. Sofaer
Compensation Committee:	Penelope A. Herscher (Chair) Kevin Kennedy David Shrigley
Corporate Governance/Nominating Committee:	Kevin Kennedy (Chair) Sunlin Chou Penelope A. Herscher
Legal Affairs Committee:	Abraham D. Sofaer (Chair) J. Thomas Bentley
Special Litigation Committee:	J. Thomas Bentley Abraham D. Sofaer